

WATER/SNR/MXK/HJL:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Water Division
Water Branch**

**RESOLUTION NO. W- 4478
July 8, 2004**

R E S O L U T I O N

**(RES. W-4478), HILLVIEW WATER COMPANY (HWC). ORDER
AUTHORIZING IMPLEMENTATION OF SCHEDULE NO. 14.1,
MANDATORY WATER CONSERVATION AND RATIONING.**

SUMMARY

By Advice Letter No. 74, filed on May 24, 2004, HWC requests the authority to implement more restrictive mandatory water conservation and rationing in its Oakhurst-Sierra Lakes service area because of the continuing reduction of pumping capacity of wells as a result of inadequate aquifer recharge for the fifth consecutive year. HWC requests this authority to further limit or discontinue outside watering to meet health and safety needs. The California Department of Health Services (DHS) supports HWC's request to prevent a water outage situation.

BACKGROUND

HWC serves 1,383-metered customers in Madera County communities of Coarsegold, Oakhurst, and Raymond, with 995 of the customers being located in its Oakhurst-Sierra Lakes service area. DHS has detected excessive levels of uranium in water from Sierra Lakes Well No. 4, but through blending in the distribution system, the water delivered to customers in the past met the drinking water standards. Due to higher deliveries that have required higher pumping from Well No. 4 in the past, blending has not kept uranium concentrations below the drinking water standards. One way of meeting the standards was to restrict the use of water and limit pumping from Well No. 4. By Res. W-4203, dated June 22, 2000, HWC was authorized to implement mandatory conservation by allowing only three days per week of exterior watering to prevent excessive concentration of uranium in the water distributed to the customers. In 2001, it appeared that more stringent mandatory

conservation was necessary to prevent excess uranium in the water from Well No. 4 from entering the system. By Res. No. W-4267, dated May 3, 2001, HWC was authorized to further limit exterior watering two days per week from 8 p.m. to 8 a.m.

In accordance with the provisions of Chapters 3 - 5, Division 1 of the Water Code of California, and the concurrence of DHS, due to the continuing reduction of pumping capacity of HWC's wells in Oakhurst-Sierra Lakes service area as a result of inadequate aquifer recharge for the fifth conservative year, HWC now requests the authority to implement more restrictive water conservation and rationing by further limiting or discontinuing outside watering. HWC requests through changes in its Tariff Rule No. 14.1 that if water supply conditions can not meet the demand under the existing mandatory schedule authorized in Res. W-4267, HWC after consultation with and concurrence of the DHS, may reduce the watering schedule to one day per week. Should the above measure be inadequate to prevent a water outage, HWC after consultation with and concurrence of the DHS may require that all outside watering be discontinued. Limiting or discontinuing outside watering in accordance with HWC's ability to supply the demand will assure the water will be available to meet health and safety needs. By a letter of May 17, 2004, DHS supports limiting or discontinuing all outside watering to prevent a water outage situation.

DISCUSSION

HWC's tariffs contain Rule 14.1 that specifies steps that customers must take during periods of water conservation and rationing. Voluntary conservation may be initiated by HWC at any time that it believes supplies may be insufficient to meet demand provided it notifies the Water Division of doing so. If more stringent measures are required, HWC may implement mandatory rationing after securing Commission approval and by filing Schedule 14.1 that details specific conservation requirements, rules, fees, and charges. The instant advice letter constitutes such filing seeking Commission approval.

HWC has prepared for filing changes to the water conservation plan after it is found that:

1. A water shortage condition exists within the Oakhurst-Sierra Lakes Service Area.

2. The continued lack of rainfall and snow pack has resulted in a continuing reduction in the production capacity of HWC's wells. HWC is beginning the season this year with less source capacity than last year.
3. The changes in the rules, regulations, and restrictions set forth in the conservation plan are intended to give the utility the ability to respond to changes in its ability to supply the demand following consultation with and concurrence of the Department of Health Services in order to maintain the ability to meet health and safety needs.
4. The changes herein are necessary as proven by the experience of the past few years, particularly last year when HWC had to declare an emergency and requested all outside watering be stopped in order to avoid a water outage.

By Res. W-4203, HWC was authorized to implement mandatory conservation. By Res. W-4267, HWC was authorized to implement more restrictive mandatory conservation. This resolution places further stringent mandatory conservation by limiting outside watering to one day a week or discontinue outside watering to prevent a water outage situation.

The Water Division has reviewed the proposal and the concurring letter of DHS. It recommends that the Commission approve this request.

NOTICE AND PROTESTS

A notice of the proposed Mandatory Water Conservation Plan was mailed to each customer in the affected area on June 14, 2004. As required by Section 351 of the Water Code, HWC held a public meeting on July 1, 2004, describing the rules, the placement of flow restrictors, and the procedure for resolving disputes. Approximately 30 people attended.

FINDINGS

1. HWC already has a Mandatory Water Conservation Plan authorized by Resolution No. W-4267 dated May 3, 2001.
2. HWC's request for a more restrictive Mandatory Water Conservation Plan is appropriate and necessary to prevent water outage situation.
3. HWC has provided notice and held a public meeting as required by Sections 350 and 351 of the Public Utilities Water Code.

4. The conditions proposed by HWC for more restrictive mandatory water conservation and rationing are justified and the corresponding rates and rules are just and reasonable.
5. This is an uncontested matter subject to the public notice comment exclusion provided in the Public Utilities Code Section 311(g)(3).

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 for Hillview Water Company to make effective revised Schedule No. 14.1, Mandatory Water Conservation and Rationing, as filed by Advice Letter No. 74, and to concurrently cancel the presently effective schedule. The revised schedule shall become effective five days after the date of this resolution.
2. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 8, 2004; the following Commissioners voting favorably thereon:

WESLEY M. FRANKLIN
Deputy Executive Director

MICHAEL R. PEEVEY
President

CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners